

## Message Text

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11  
ACTION EB-11

INFO OCT-01 EUR-25 IO-13 ADP-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 OMB-01 DOTE-00

RSR-01 /180 W  
----- 073508

R 130800Z JUL 73  
FM AMEMBASSY DUBLIN  
TO SECSTATE WASHDC 4826  
INFO AMEMBASSY LONDON  
USMISSION GENEVA

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E.O. 11652: N/A  
TAGS: ETRD, GATT, EIS  
SUBJ: IRISH RESTRICTIONS ON AUTOMOBILE IMPORTS

REF: STATE 121547 AND 95089; DUBLIN 658 AND 604

1. AFTER REPEATED TELEPHONE CALLS FROM EMBASSY, GOI  
FONAFF JULY 5 SUBMITTED NOTE RESPONDING TO OUR MAY 21  
REPRESENTATIONS RE IRISH REFUSAL REGISTER NON-ASSEMBLER  
AS IMPORT OF US MADE VEHICLES. TEXT OF NOTE AS  
FOLLOWS:

"DEPT OF FONAFFS PRESENTS ITS COMPLIMENTS TO THE  
AMERICAN EMBASSY NAD HAS THE HONOR TO REFER FURTHER TO THE  
EMBASSY'S AIDE-MEMOIRE OF 21 MAY 1973 CONCERNING THE  
REGISTRATION OF MR. JOCELYN YATES UNDER THE MOTOR  
VEHICLES (REGISTRATION IF IMPORTERS) ACT, 1968.

"THE ARRANGEMENTS FOR THE MOTOR VEHICLE ASSEMBLY  
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INDUSTRY AS EMOIDED IN THE 168 ACT WERE NOTIFIED TO

THE GATT IN THE SECOND ANNUAL REPORT ON THE UK/IRELAND FREE TRADE AREA AGREEMENT. IN APRIL 1970 AT A MEETING OF THE GATT JOINT WORKING GROUP ON IMPORT RESTRICTIONS A NOTIFICATION OF A RESTRICTION APPLIED BY IRELAND ON THE IMPORTATION OF MOTOR CARS WAS SUBMITTED. THE IRISH DELEGATION STATED ON THAT OCCASION THAT THE IRISH GOVT DOES NOT HAVE A QUANTITATIVE RESTRICTIONS ON THE IMPORT OF MOTOR VEHICLES AND THAT THE MATTER WAS NOT APPROPRIATE TO THE WORK OF THE GROUP.

"IN REGARD TO REGISTRATION, THE MOTOR VEHICLES (REGISTRATION OF IMPORTERS) ACT, 1968, PROVIDES THAT ONLY PERSONS WHO WERE ASSEMBLERS OR IMPORTERS BEFORE THE PASSING OF THE ACT, OR WHO BECAME ASSEMBLERS AFTERWARDS, MAY BE REGISTERED AS IMPORTERS OF FULLY BUILT-UP VEHICLES. AS MR. YATES DOES NOT APPEAR TO SATISFY ANY OF THE STATUTORY CONDITIONS FOR REGISTRATION, THERE IS NO WAY IN WHICH HE CAN BE REGISTERED UNDER THE ACT AS AN IMPORTER."

2. SUBSEQUENT TO SENDING NOTE AND AFTER FURTHER CONVERSATION ON ISSUE, BRIAN O CEALLAIGH, COUNSELOR OF EC/GATT SECTION SENT ECON/COMMOFF LETTER ENDORSING STATEMENT MADE BY IRISH DELEGATION AT ABOVE MENTIONED APRIL 10, 1970 MEETING OF GATT JOINT WORKING GROUP ON IMPORT RESTRICTIONS (RE MOTOR VEHICLES). FOLLOWING IS TEXT OF STATEMENT:

"THE GOI DOES NOT HAVE A QUANTITATIVE RESTRICTION ON THIS ITEM. IT IS POSSIBLE THAT THE COMMUNITY WHICH, I UNDERSTAND, MADE THIS NOTIFICATION IS REFERRING TO THE ARRANGEMENTS WHICH ARE SET OUT IN PARAGRAPH 8 OF DOCUMENT I/3/III DATED 12TH NOV, 1968 WHICH IS THE SECOND ANNUAL REPORT TO THE GATT ON THE UK-IRELAND FREE TRADE AREA AGREEMENT.

"THIS STATES THAT ARRANGEMENTS TO SAFEGUARD THE MOTOR VEHICLE ASSEMBLY INDUSTRY IN IRELAND, WERE MADE BY THE IRISH GOVT IN AGREEMENT WITH BRITISH MANUFACTURERS AND IRISH ASSEMBLERS OF MOTOR VEHICLES, WITH THE LIMITED OFFICIAL USE

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APPROVAL OF THE BRITISH GOVT. THE ARRANGEMENTS INVOLVED A MINOR DEPARTURE FROM THE PROVISIONS OF THE FTAA IN THAT ASSEMBLED MOTOR VEHICLES MAY, IN GENERAL, BE IMPORTED ONLY BY IMPORTERS-ASSEMBLERS WHO UNDERTAKE TO MAINTAIN THEIR SCALE OF ASSEMBLY. UNDER THESE ARRANGEMENTS ASSEMBLED VEHICLES OF BRITISH ORIGIN SO IMPORTED ARE ADMITTED AT SPECIALLY REDUCED RATES OF DUTY AND WITHOUT ANY RESTRICTION AS TO NUMBER. CORRESPONDING

ARRANGEMENTS WERE MADE IN THE CASE OF VEHICLES OF NON-AREA ORIGIN SUBJECT, IN THE CASE OF PRIVATE MOTOR CARS, TO A DUTY PREFERENCE BEING MAINTAINED FOR VEHICLES OF AREA ORIGIN WHICH IS marginally higher THAN THE MINIMUM PREFERENCE ON SUCH VEHICLES PROVIDED FOR IN THE FREE AREA AGREEMENT. TO FACILITATE THESE MARKETING ARRANGEMENTS CHANNELS OF TRADE ARE REGULATED BY REGISTRATION.

"I THINK IT WILL BE CLEAR THAT THIS ITEM IS NOT APPROPRIATE TO WORK OF THIS GROUP."

3. IN CONVERSATIONS BOTH BEFORE AND AFTER DELIVERY OF NOTE, FONAFF OFFICIALS HAVE REPEATEDLY STATED THAT IRISH VIEW THEIR ASSEMBLY/IMPORT ARRANGEMENT AS OF PARTICULAR BENEFIT TO U.S. AUTOMOBILE COMPANIES WHICH ASSEMBLE EUROPEAN-MADE CARS IN IRELAND, DESPITE EMBASSY RESPONSE THAT THIS IS IRRELEVANT TO APPARENT VIOLATION OF GATT OBLIGATION EMOIDED IN IRISH REFUSAL PERMIT NON-ASSEMBLER TO IMPORT.

4. ALTHOUGH IRISH NOTE DOES NOT SO STATE SPECIFICALLY, IRISH HAVE MADE CLEAR TO US THAT IT IS THEIR CONTENTION THAT LACK OF US OBJECTION TO THEIR 1968 NOTIFICATION AND THEIR 1970 STATEMENT CONSTITUTED ACQUIESCENCE IN THEIR ASSEMBLY/IMPORT ARRANGEMENT. WE HAVE STRONGLY ARGUED THAT OUR SILENCE AT THAT TIME IN NO WAY IMPLIED ACQUIESCENCE TO A CLEAR GATT VIOLATION.

5. NEXT STEP WOULD APPEAR TO BE SUBMISSION OF A NOTE TO GOI BY EMBASSY STATING THAT WE HAVE NOT ACQUIESCED IN GOI ARRANGEMENT, THAT WE THEREFORE REGARD IT AS A GATT VIOLATION WHICH GOI IS UNDER OBLIGATION TO RESCIND.  
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BEFORE DOING SO, HOWEVER, WE WOULD APPRECIATE DEPT'S APPROVAL OF PROPOSED FURTHER APPROACH, AND OPINION AS TO WHETHER OUR CONTENTION THAT US SILENCE IN 1968 AND 1970 DID NOT RPT NOT CONSTITUTE ACQUIESCENCE. IN WEIGHING NEXT STEP, DEPT MAY WISH TO TAKE TIMING INTO CONSIDERATION, SINCE WE ARE ALSO AT THIS MOMENT TRYING TO GET EC TO TAKE FORTHCOMING POSITION IN ARTICLE 24-6 NEGOTIATIONS AND TO MOVE FROM THERE INTO LARGER MULTILATERAL TRADE NEGOTIATIONS. SINCE IRISH POSITION RE MTN HAS NOT BEEN PARTICULARLY HELPFUL, WE SHOULD CONSIDER WHETHER IT IN USG'S BEST INTEREST OR NOT TO PIQUE THEIR SENSIBILITIES BY PUSHING HARD ON THIS POLITICALLY AND ECONOMICALLY SENSITIVE ISSUE AT THIS PARTICULAR TIME.  
SORENSEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JUL 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** cunninfx  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Errors:** N/A  
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